V BA-NY'S CLAIMED SWITCHING COSTS

Switch UNE Costs And Switch Prices

Q. PLEASE EXPLAIN HOW BA-NY DEVELOPED ITS CLAIMED SWITCH UNE COSTS.

A. BA-NY used the Telcordia SCIS model to develop claimed port, port additives, and usage investments. Multiple loadings were added for power, engineering, installation, etc. and then annual cost factors were applied to convert the investments to monthly costs and expenses were added to develop the purported TELRIC cost. Then various overhead loadings were added to calculate proposed prices. It is important to note that since the cost study starting point is switching investment, if BA-NY's investment inputs are wrong, as they clearly are, then BA-NY's claimed costs and ultimately its proposed switch UNE prices likewise will be wrong, as they are by a wide margin.

Q. DOES TELCORDIA'S SCIS MODEL ACCURATELY DEVELOP SWITCH PRICES (INVESTMENTS) FOR BA-NY'S PROPOSED "MODEL" SWITCHES?

A. No. Significantly, this is not an input-related problem, although input errors abound in BA-NY's cost study as well. The Telcordia model is a proprietary model that includes complicated pre-processing that was not made available for

review and analysis, so we were not able to pinpoint the exact problem. Regardless of the reason(s), the SCIS model that BA-NY relies upon in support of its claimed switching costs is incapable of accurately estimating the switch prices for the switch configurations BA-NY used in its cost study.

Q. HOW DO YOU KNOW THAT SCIS IS NOT PRODUCING ACCURATE RESULTS FOR BA-NY'S SWITCHES?

A. SCIS cannot reproduce even the list prices that BA-NY's switch vendors have provided for the switch configurations used in BA-NY's cost study. If SCIS cannot accurately reproduce the list prices provided by BA-NY's vendors, then SCIS also cannot accurately produce the correct sub-category net prices used by BA-NY to quantify and allocate switching investments to the port and usage elements.

Q. PLEASE EXPLAIN HOW YOU DETERMINED THAT THE SCIS MODEL IS NOT PRODUCING THE CORRECT LIST PRICES.

A. BA-NY requested both list and net prices from its switch vendors for the initial sized switches assumed in its cost study, as well as the list and net prices for growth jobs over fourteen years.[25] The vendors provided list prices and

[25] BA-NY Panel Testimony, page 226.

net prices at the new switch discounts for the switches used by BA-NY in its cost study for each zone and also provided list and discounted prices for seven two-year growth jobs over fourteen years based upon the study assumptions provided to the vendors by BA-NY. BA-NY describes this process in its Panel Testimony at page 226, and its response to ATT-BA-50 details the vendors' list and net prices for each of the "model" switches assumed by BA-NY. (see **CONFIDENTIAL** ATTACHMENT 9 to this reply testimony that contains **BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA**)

The SCIS model starts with list prices and requires the user to enter a discount input in order to calculate the net price paid for the switch. BA-NY provided the SCIS model loaded with BA-NY's inputs that reflect the same "initial" switch configuration as in BA-NY's vendors' pricing responses. We used the SCIS model as provided, changing the discount inputs to 0. When the discount inputs are 0, the SCIS results for the total switch investment should approximate the prices that BA-NY's vendors provided as "list". Yet, as shown in the table below, which contains **BA-NY AND BA-NY SWITCH VENDOR**

CONFIDENTIAL DATA, the SCIS results for most switches were extraordinarily different from the vendor prices.

[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

List Prices for Initial Switch				
	Vendor	0% Discount		%
	List Price	BANY-SCIS	Difference	Difference
5E Zone 1A				
5E Zone 1A ISDN				
5E Zone 1A Total				
DMS Zone 1A				
DMS Zone 1A ISDN				
DMS Zone 1A Total				
5E Zone 1B				
5E Zone 1B ISDN				
5E Zone 1B Total				
DMS Zone 1B				
DMS Zone 1B ISDN				
DMS Zone 1B Total				
5E Zone 2				
5E Zone 2 ISDN				
5E Zone 2 Total				
DMS Zone 2				
DMS Zone 2 ISDN				

DMS Zone 2 Total				
5E Tandem				
DMS Tandem				

[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

For the three Lucent switches in BA-NY's study, the SCIS model that BA-NY relies upon produced one switch at [BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA] above the vendor's list price, another [BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]higher than BA-NY's vendor's list price, and the third switch [BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA] higher than Lucent's list price. Notably, the ISDN results produced by the same SCIS model range from [BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA] to [BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA] *higher* than BA-NY's vendor's explicitly stated prices. SCIS generates results at list prices for Nortel that are both higher and lower than the vendor's stated prices ranging from [BEGIN BA-NY AND BA-NY SWITCH

VENDOR CONFIDENTIAL DATA]XXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA] under to **[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** over. The tandem switch list prices are overestimated by **[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** in one instance and **[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]XXX[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** in the other.

Q. BUT IF BA-NY ISN'T USING LIST PRICES, AND YOU ARE NOT ADVOCATING THAT BA-NY'S SWITCH COSTS SHOULD BE DEVELOPED BASED UPON VENDOR LIST PRICES, WHY IS IT IMPORTANT THAT THE LIST PRICES FROM SCIS APPROXIMATE THE VENDORS' EXPRESSLY STATED PRICES?

A. It is absolutely critical that the list price starting point of the SCIS model produces accurate results. Otherwise, entering discounts that are multiplied against incorrect list prices will produce incorrect results. BA-NY claims in its Panel Testimony that Telcordia had validated the SCIS model against vendor engineering tools.[26] Despite BA-NY's claim concerning Telcordia's alleged validation,

[26] These engineering tools determine the number and type of components depending upon the traffic data and line and trunk counts entered by the user. One output of the vendors' tools is a total switch list price.

however, the SCIS model simply is not producing the correct costs for the switch configurations assumed by BA-NY. Even if BA-NY had used the correct discount inputs provided by its switch vendors, which it did not, the SCIS model could not produce the correct net switch prices, either for the total switch or the subcategories. Indeed, as can be seen in the table above, some of the ISDN investments are **[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** XXXXXXXXXXXX**[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** overstated. Moreover, since there is no vendor breakdown of the list and net prices for the other subcategories (e.g., trunking, getting started, SS7, etc.), we can't even be sure which subcategories that make up the port or the usage elements are uniformly incorrect or whether wild variations between traffic sensitive and non-traffic sensitive subcategories exist.

Q. CAN THE SCIS MODEL THAT BA-NY RELIES UPON BE FIXED AND WHAT IS YOUR RECOMMENDATION?

A. No, we cannot fix the model, nor can BA-NY. In short, SCIS is a proprietary Telcordia model that uses highly complicated pre-processing that is entirely closed. In other words, Telcordia calculates the costs of bundles of components at list prices and loads them into an investment

table that is included with the SCIS model. If the individual component list prices that Telcordia used in the preprocessing were incorrect, or the formulas used in the preprocessing were faulty, neither we nor BA-NY could correct these deficiencies. Telcordia would have to make the corrections and provide new tables for the SCIS program. We believe that since the SCIS program uses compiled programming code, even if the problems were in the SCIS program delivered to BA-NY, only Telcordia can modify the SCIS program. Since it is not calculating the correct costs of BA-NY's switches, the SCIS model should not be used in this proceeding.[27]

Q. CAN BA-NY'S CLAIMED COSTS BE CORRECTED USING ITS OWN METHODOLOGY?

A. The SCIS model that BA-NY relies upon could be manipulated to provide more accurate results at the total switch price level. Forcing that result, however, would not address the

[27] The AT&T/MCI WorldCom UNE 2 Cost Study uses the FCC's switch price inputs that are conservatively high compared to the prices stated by BA-NY's switch vendors. AT&T's/MCI WorldCom's UNE 2 switch price inputs could be replaced with the BA-NY-specific prices as provided by BA-NY's vendors with appropriate adjustments made to the AT&T/MCI WorldCom switch-related investment loading factors. The AT&T/MCI WorldCom UNE 2 Cost Study's switch prices include features, installation and all other capitalized investments that make up the digital switching Part 32 account, so caution must be used when comparing that study's switch cost inputs with other switch prices that may be for material only.

remaining uncertainty concerning the individual traffic sensitive and non-traffic sensitive switching elements.

Q. PLEASE EXPLAIN THE ADJUSTMENTS THAT WOULD HAVE TO BE MADE IN ORDER TO MANIPULATE OR FORCE THE SCIS MODEL TO ACTUALLY PRODUCE ACCURATE TOTAL SWITCH INVESTMENTS.

A. The discount inputs would have to be modified so that the SCIS model produces approximately the same total switch investment as set forth in the vendor responses to BA-NY's pricing exercise.

Q. ARE THE VENDORS' STATED PRICES THE RIGHT ONES TO USE IN DEVELOPING BA-NY'S FORWARD-LOOKING ECONOMIC COSTS FOR SWITCHING?

A. A study that meticulously conforms to TELRIC probably should not use these prices. The vendors referred to the prices as an "exercise" because they knew that BA-NY was not asking for "serious" pricing because they had no intention to purchase new switches. BA-NY confirms this in Panel Testimony (pg. 225) while unbelievably concluding that the pricing exercise produces too low prices by the vendors: "Moreover, the replacement discounts are not realistic because they are the product of artificial market conditions. Because the suppliers know that BA-NY has no need to purchase new digital switches now or in the future,

the supplier has every incentive to provide unrealistically high discounts to create goodwill with the buyer." BA-NY's conclusion is absurd and exactly the opposite of what it should be - the vendors have no incentive whatsoever to produce unrealistically low prices, nor do they have the flexibility to do so if they followed BA-NY's instructions to use current contract prices. Indeed, BA-NY's contracts[28] with Nortel and Lucent provide for the following new switch purchase discounts, similar to the discounts provided in the vendors' responses to BA-NY's pricing exercise:

[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

	Megabid Contracts	Vendor Price Exercise
Lucent		
Nortel		

[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

Nevertheless, in direct contradiction to BA-NY's assertions, if its switch vendors were truly competing for BA-NY's business, it would be expected that they would offer BA-NY their "best" price that may be lower than the pre-existing

[28] See BA-NY Response to ATT-BA-50, Lucent LOA-0711ATT, Attachment 2, page 2; and Nortel LOA-0711NTI, pages 14-15. **[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]** XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX **[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]**

contracts in a competitive bid situation. Moreover, it is widely accepted in the industry that switch prices are declining and are expected to continue to decline due to lower prices for microprocessors and other computer-related technology. Nor, according to BA-NY, do its current contracts with its switch vendors take into account the pending Bell Atlantic/GTE merger that will significantly increase BA's bargaining power with its switch vendors.

Q. IF THESE AREN'T THE CORRECT PRICES, WHAT SHOULD BE USED?

A. We recognize that, given the fact that BA-NY's switch vendors know that BA-NY is not planning on purchasing new digital switches, it would be extremely difficult to determine what the best price would be. Consequently, because the vendors' expressly stated new switch prices based upon the aggressive new switch purchase discounts are clear and straightforward, they should be used. But, for all of the above reasons, the vendors' stated new switch purchase discounted prices should be considered to be conservative study inputs.

Q. BASED UPON THEIR EXISTING CONTRACTS WITH BA-NY, THE VENDORS PROVIDED MULTIPLE PRICES AND DISCOUNTS IN THEIR PRICE EXERCISE RESPONSES. WHICH SPECIFIC PRICES AND DISCOUNTS SHOULD BE USED IN DEVELOPING BA-NY'S FORWARD-LOOKING ECONOMIC COSTS FOR SWITCHING?

A. The initial switch net prices should be used as the basis for developing BA-NY's forward-looking economic costs for switching.[29] BA-NY's switch vendors' contracts and its vendors' pricing exercise responses show that BA-NY receives different discounts from its switch vendors based upon whether it is purchasing a new switch or merely adding lines -- i.e., "growth" discount -- to an existing switch. These documents also show that BA-NY's switch vendors offer much more aggressive discounts for new switch purchases. Consequently, consistent with TELRIC principles, the new switch purchase discounted prices -- shown in the vendors' pricing exercise responses as initial switch net prices -- should be used to develop BA-NY's switching costs. The vendors' pricing response documents show these in separate columns for GR303-related equipment, ISDN equipment and rest of switch. The total switch price would be the sum of the three column, as excerpted in the table below, which

[29] AT&T used version 3 of the Lucent prices.

contains **BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA.** The total switch price divided by the total lines served is a typical measure of switch price. I have added this calculation to the table below.

[BEGIN BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

	GR303	Rest of Switch	Total Non-ISDN	PRI	BRI	Total ISDN	Total Local Switch	Non ISDN Lines	Non-ISDN Switch Price/Line
5ESS									
Manh. (1):									
Initial Switch									
Major Cities (2):									
Initial Switch									
Rest of State (3):									
Initial Switch									
Remote (3a)									
Initial Remote									
Total 3 Remotes									
Total Rest of State									
DMS									
Manh. (1):									
Initial Switch									
Major Cities (2):									
Initial Switch									
Rest of State (3):									
Initial Switch									
Remote (3a)									
Initial Remote									
Total 3 Remotes									
Total Rest of State									

[END BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA]

These prices reflect the best available information about the price BA-NY could expect to pay to purchase a new

switch. As noted above, this is a conservative approximation since it is likely that BA-NY could actually achieve even better prices.

Q. WHY SHOULDN'T THE ADD-ON (TO EXISTING SWITCHES) GROWTH PRICES BE USED IN A TELRIC STUDY?

A. TELRIC requires assuming the long-run so that all investments become variable - thus leading to the FCC rule that a new network be built using the existing wire center locations. The FCC stated:

> "Having concluded in Section II.D., above, that we have the requisite legal authority and that we should establish national pricing rules, we conclude here that prices for interconnection and unbundled elements pursuant to sections 251(C)(2), 251(C)(3), and 252(d)(1), should be set at forward-looking long-run economic cost." [First Report and Order 8/96 paragraph 672].

The Order defines long-run in paragraph 677:

> "The term 'long run' in the context of 'long run incremental cost' refers to a period long enough so that all of a firm's costs become variable or avoidable."

and in paragraph 690:

> "The increment that forms the basis for a TELRIC study shall be the entire quantity of the network element provided."

and in paragraph 685:

> "We, therefore, conclude that the forward-looking pricing methodology for interconnection and unbundled network elements should be based on costs that assume that wire centers will be placed at the incumbent LEC's current wire center locations, but that the reconstructed local network will employ the most efficient technology for reasonably foreseeable capacity requirements."

BA-NY attempts to confuse these straightforward principles by talking about not replacing digital switches and that they would be only "growing" these switches at a higher cost than purchasing new switches. "It [BA-NY's forward-looking switch construct] represents the type of switching equipment BA-NY is purchasing incrementally to upgrade its switching network, on a forward-looking basis".[30] This is a direct violation of the FCC's rules requiring that a reconstructed network be costed to serve the entire quantity of the network element provided. BA-NY is assuming the discounted price structure only of incrementally growing its switches, not the discounted price structure for a newly constructed switch that serves the entire demand.

[30] Panel Testimony pg. 224

BA-NY's no new digital switch argument is without merit. We agree that, at some future date, packet-based switches will be the primary switching vehicle in the network. As the timing is uncertain, it would be premature to assume a network using packet technology for voice. We can be certain, however, that efficient companies will add packet switches only when they are cheaper on a unit basis than purchasing digital switches. As quoted above, TELRIC principles also require that the investment be purchased to serve all current demand. In summary the TELRIC principles of long-term and serving current demand clearly require that the price of switches be based on the purchase of a new switch with its aggressive new switch purchase discount.

Finally, it warrants emphasis that earlier this year, the United States District Court for the District of Delaware explicitly rejected Bell Atlantic's no new digital switch argument and its attempt to evade use of the aggressive new switch purchase discounts -- as contrary to TELRIC.[31] Moreover, BA-NY's current position conflicts squarely with

[31] Bell Atlantic-Delaware, Inc. v. McMahon, 80 F. Supp. 2d 218 (D.Del. 2000).

the prior testimony of two of its February 7, 2000 panel members, Carmelo R. Curbelo and William E. Taylor.

First, on cross-examination during Phase 1 of Case 95-C-0657, et al, BA-NY's Mr. Curbelo stated unambiguously that he "would certainly change [the] numbers" in his switching cost study if it turned out, contrary to his then-existing belief, that the aggressive new switch purchase discounts were in fact available from BA-NY's vendors. Tr. 3006, L.12-17. Well, there is no longer any mystery. BA-NY has known that the aggressive new switch purchase discounts remain available since AT&T uncovered BA-NY's material misrepresentation of fact on this issue during the Phase 3 cost proceeding (Case 95-C-0657, et al).

Second, as noted by the Delaware federal court in January of this year, BA-NY's witness Dr. Taylor plainly recognizes both the FCC's "long run" and "reconstructed local network" requirements for developing BA-NY's forward-looking economic costs for switching. As to the FCC's long run requirement, the Court cited Dr. Taylor's testimony that the FCC's Local Competition Order

> "says rip every switch out. All of them...every switch in the network, rip them out. Leave the ...wire center location where they [sic] are.

> And build the network that you would build today to serve the demand."[32]

The Court also cited Dr. Taylor's testimony in which he characterized the Local Competition Order's reconstructed local network requirement as follows:

> "I take that to mean that all elements of the local network, including the switches, including the building that surrounds the switch...all of those elements get rebuilt as if the neutron bomb had flattened them".[33]

Against this background, BA-NY's current posture is inexplicable, except as a bold attempt to substantially inflate BA-NY's claimed switching costs.

Q. CAN SCIS BE USED TO PRODUCE A CORRECT SWITCH PRICE USING ONLY GROWTH DISCOUNTS?

A. No. Even if SCIS were calculating list prices correctly, which it plainly is not as demonstrated above, the SCIS model was not built to generate growth prices. Consequently, SCIS cannot accurately calculate a switch using growth discounts. SCIS is a "static" model and is designed to estimate the price of a new switch. It has never been able to dynamically model a switch that grows over time. BA-NY's input of only growth discounts is a

[32] 80F. Supp. 2d at 238.

[33] 80F. Supp. 2d at 238.

serious mis-use of the SCIS model.[34] A significant portion of the SCIS-produced price for a switch is for the getting started equipment, or first cost of the switch.[35] This equipment is purchased with the initial installation and would receive a new switch discount. BA-NY's entry of growth only discounts incorrectly discounted the list prices of these equipment components at the lower growth discount, thereby significantly overstating the price of the getting started cost. The entire first cost of a switch, which is substantial, will always receive the aggressive new switch discount, along with all of the equipment purchased to serve all of the lines and traffic at the time the switch is installed. There will never be any justification for using only a "growth" discount in a TELRIC study. BA-NY attempts unsuccessfully to camouflage its violation of TELRIC by claiming that the switching equipment is of the latest vintage from the vendor and that

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[34] BA-NY's use of only three switch configurations is also a mis-use of the SCIS model. SCIS is not designed to accept inputs for "model" offices as BA-NY claims. Instead, SCIS is designed to accept inputs for all of the switches in a jurisdiction. Based upon all of that input data, the SCIS model will average the results to produce results that are called "model" office. Note the distinction between reducing hundreds of switch configurations into three overly simplified switches compared to all of the switches being engineered and calculated separately and then the results being averaged together.

[35] See Workpaper B-2, Section 4, Page 1 of 3 - more than 25% of the total Local Switching investment (line 23) is getting started investment (line 1).

makes the cost study forward-looking. BA-NY, however, cannot pick and choose which TELRIC principles to adhere to, while manipulating others in order to inflate its claimed UNE costs. TELRIC requires not only modeling forward-looking technology, but that a reconstructed network must be built to serve total demand.

Q. WHAT INCONSISTENCIES AND ERRORS DID YOU FIND IN BA-NY'S GROWTH DISCOUNT DEVELOPMENT?

A. When attempting to develop the discounted price structure, BA-NY finds it convenient to use estimates of forward-looking demand over at least a 14 year life. (WorkPaper B; Section 42P, pg 6p shows 7 additions that take place every two years for a switch life of at 14 years. Compare this fourteen year life, however, with BA-NY's assumption of a digital switch economic life of 10 years in its WorkPaper H; Section 2.3, pg 1. The FCC explicitly said that capacity should be provided to serve demand for the reasonably foreseeable future. Fourteen years is neither reasonable nor foreseeable in the dynamic telecommunications industry. Moreover, the switch contracts currently in place are not effective through the year 2014, making the prices pure speculation. Nor has BA-NY incorporated any time value of money adjustments. In

addition, BA-NY's own switch engineering guidelines state that **[BEGIN BA-NY CONFIDENTIAL]**

[END BA-NY CONFIDENTIAL][36]

The 3% line growth is also suspect in BA-NY's growth scenario. Access line growth has been declining steadily and this trend is expected to continue as cable modems and DSL lines reduce residential second line growth.

The growth scenario that BA-NY laid out for its vendors to price, therefore, violates BA-NY's own engineering guidelines, exaggerates the yearly growth in lines, incorrectly assumes the same prices will exist for fourteen years, and assumes growth over a period that is longer than the life of the switch!

[36] Proprietary Response to ATT-BA-106 - Engineering Guidelines, Section 16.2

Q. HOW SHOULD VENDORS' PRICES BE USED IN CONJUNCTION WITH SCIS TO PRODUCE MORE ACCURATE TOTAL SWITCH PRICE RESULTS?

A. SCIS should be run with different discounts until the SCIS results approximate the prices stated by BA-NY's vendors in their pricing exercise responses for BA-NY's different switch configurations for the different zones. New switch prices are called 'initial switch' in the vendors' pricing responses and these should be used as the basis to develop BA-NY's forward-looking economic costs for switching.

Q. WHY CAN'T THE VENDORS' STATED DISCOUNTS FOR NEW SWITCHES BE USED AS INPUTS TO SCIS?

A. If the SCIS model were calculating accurate list prices, then the vendor discounts could be used as inputs. Applying the vendors' stated discounts to SCIS generated list prices that are not the same as the vendors' stated list prices, however, would produce inaccurate net switch prices.

Q. WHAT DISCOUNT INPUTS ARE NECESSARY TO HAVE SCIS PRODUCE NET NEW SWITCH PRICES THAT APPROXIMATE THE VENDOR PROVIDED NET NEW SWITCH PRICES?

A. **CONFIDENTIAL** ATTACHMENT 10 to this reply testimony, which contains **BA-NY AND BA-NY SWITCH VENDOR CONFIDENTIAL DATA,**